

**RAILROAD COMMISSION OF TEXAS
GAS SERVICES DIVISION**

**GAS UTILITIES
INFORMATION BULLETIN**

No. 746



**RAILROAD COMMISSION
OF TEXAS**

**Victor G. Carrillo, Chairman
Charles R. Matthews, Commissioner
Michael L. Williams, Commissioner**

**Stephen L. Pitner
Director
Gas Services Division**

April 25, 2004

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Orders were issued in the following dockets:

Gas Utilities Docket No. 9233 TXU Gas Distribution Transmission Gas Cost Review

Gas Utilities Docket No. 9488 – 9512 STATEMENT OF INTENT FILED BY Statement of Intent filed by West Texas Gas to Change Rates in the Environs of Balmorhea, Cactus, Canadian, Claude, Darrouzett, Eden, Farwell, Follett, Groom, Higgins, Junction, Kermit, Menard, Miami, Mobeetie, Natalia, Paint Rock, Shamrock, Somerset, Sonora, Stratford, Texhoma, Texline, Wheeler, and Statement of Intent Filed by West Texas Gas, Inc. for a Rate Increase of Special Rates In the Unincorporated Towns and Rural Areas of Andrews, Armstrong *(Goodnight), Atascosa, Bailey, Bexar, Brewster, Briscoe, Brown, Carson, Castro, Cochran, *(Bledsoe), Coleman, Collingsworth, Concho, Crosby, Culberson, Dallam, *(Kerrick), Dawson, Deaf Smith, Dimmitt, Donley, Floyd, Frio, Gaines, Gray, Hale, Hall, Hansford, Harley, Hemphill, *(Glazier), Hockley, Hutchinson, Jeff Davis, Kimble, Kinney, LaSalle, Lamb, Lipscomb, Lubbock, Lynn, McCulloch, *(Lohn), Martin, Maverick, Median, Menard, Moore, *(Etter), Ochiltree *(Farnsworth, Waka), Oldham, Parmer, Pecos *(Coyanosa, Imperial), Potter, Presidio, Randall, Reeves *(Saragosa), Roberts, Runnels, Sherman, Sutton, Swisher, Terry, Tom Green *(Christoval), Uvalde, Val Verde, Wheeler, *(Allison, Briscoe), Wilson, Winkler, Yoakum and Zavala *(La Pryor) Counties, Texas

Gas Utilities Docket No. 9364 Joint Petition of CenterPoint Energy Entex and the City of Tyler for Review of Charges for Gas Sales

SECTION 1
NEW APPEALS AND APPLICATIONS FILED

DOCKET NO. -- 9517
CAPTION -- Rate Case Expense Severed from Gas Utilities Docket No. 9400.
DATE FILED -- April 23, 2004
FILED BY -- Commission's Own Motion
EXAMINER -- John Chakales

SECTION 2
APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE

None at this time.

SECTION 3
STATUS OF PENDING CASES

DOCKET NO. -- 9400
CAPTION -- Statement of Intent Filed by TXU Gas Company to Change Rates in the Company's Statewide Gas Utility System.
DATE FILED -- May 23, 2003
EXAMINER -- John Chakales, Michelle Lingo, Mark Evarts

Proposal for Decision:

[\\TGU\sys2\RAP\TXU Statewide\PED\9400 Transmittal.pdf](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\pfd01.pdf](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\Proposed Final Order.pdf](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\schedule Q.pdf](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\schedule R.pdf](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\ExamDIST44.xls](#)
[\\TGU\sys2\RAP\TXU Statewide\PED\ExamPL44.xls](#)

SECTION 4
NOTICES OF DISMISSAL

None at this time.

SECTION 5
ORDERS OF THE COMMISSION

RAILROAD COMMISSION OF TEXAS

TXU GAS DISTRIBUTION-TRANSMISSION §
GAS COST REVIEW §

§

GAS UTILITIES DOCKET
NO. 9233

FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 (Vernon 1994 and Vernon Supp. 2004)

By Order issued on November 25, 1997, TXU Gas Distribution-Transmission was required to file with the Commission every thirty-six months an application for a reconciliation proceeding to demonstrate that its gas costs are reasonable and necessary. On July 16, 2001, TXU Gas Distribution-Transmission filed its Petition for Compliance with GUD No. 8664 and Motion for Final Order (Compliance Filing). A Settlement Agreement dated April 14, 2004, has been entered into by TXU Gas Distribution and the Steering Committee of Cities Served by TXU Gas Distribution-Transmission ("Cities"), the Alliance of Texas Municipalities ("ATM"), the State of Texas and Staff of the Railroad Commission of Texas. The Settlement Agreement is attached to this Final Order as Exhibit A, and is incorporated herein for all purposes as if fully set out.

The Cities are comprised of Abilene, Allen, Arlington, Ballinger, Bedford, Bronte, Cleburne, Comanche, Dallas, Farmers Branch, Gainesville, Garland, Haltom City, Town of Highland Park, Hurst, Irving, Lewisville, Malakoff, Paducah, Pantego, Paris, Petrolia, Plano, Poyner, Robert Lee, Robinson, Rockwall, Sulphur Springs, Vernon, Waco, Walnut Springs, and Waxahachie. ATM is comprised of Buffalo, Centerville, Corsicana, Denton, Farmersville, Fredricksburg, Gatesville, Georgetown, Greenville, Groesbeck, Haskell, Longview, Manor, Plugerville, Riesel, Roby, Somerville, Taylor, and Washington.

The Settlement Agreement resolves all issues regarding TXU's natural gas purchases during the period between November 1, 1997, and October 31, 2000. The Settlement Agreement also resolves all issues regarding accounting issues related to the transition between the period prior to November 1, 1997. The Settlement Agreement resolves all issues related to certain settlement amounts paid by TXU in connection with a gas purchase contract and rate case expenses related to Gas Utilities Dockets Nos. 9233 and 9246.

TXU is a gas utility as that term is defined in TEXAS UTILITIES CODE ANN. § 101.003(7) and 121.001 (Vernon Supp. 2004). The Commission has jurisdiction to consider the matters involved herein under TEX. UTIL. CODE ANN. §§ 102.001, 104.001, and 104.109 (Vernon 1998 and Supp. 2004).

The Settlement Agreement of the parties is **HEREBY** approved and adopted.

SIGNED this 23rd day of April, 2004.

RAILROAD COMMISSION OF TEXAS

/s/
VICTOR CARRILLO
CHAIRMAN

/s/
CHARLES R. MATTHEWS
COMMISSIONER

/s/
MICHAEL L. WILLIAMS
COMMISSIONER

ATTEST

/s/ Kim Williamson
SECRETARY

RAILROAD COMMISSION OF TEXAS

**JOINT PETITION OF CENTERPOINT §
ENERGY ENTEX AND THE CITY OF TYLER §
FOR REVIEW OF CHARGES FOR GAS §
SALES**

**GAS UTILITIES DOCKET
NO. 9364**

ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 (Vernon 1994 and Vernon Supp. 2004)

After considering the City of Tyler's *Interim Appeal of Examiners' Ruling Stopping all Discovery and Failing to Rule on Cost Reimbursement* filed on March 12, 2004, and the arguments of the parties, the City of Tyler's interim appeal is **DENIED**.

IT IS FURTHER ORDERED THAT all relief not specifically granted herein is **DENIED**.

SIGNED this 23rd day of April, 2004.

RAILROAD COMMISSION OF TEXAS

/s/ _____
VICTOR CARRILLO
CHAIRMAN

/s/ _____
CHARLES R. MATTHEWS
COMMISSIONER

/s/ _____
MICHAEL L. WILLIAMS
COMMISSIONER

ATTEST

/s/ Kim Williamson
SECRETARY

RAILROAD COMMISSION OF TEXAS

HEARINGS SECTION

GAS UTILITIES DOCKET NOS. 9488-9512

STATEMENT OF INTENT FILED BY

Statement of Intent filed by West Texas Gas to Change Rates in the Environs of Balmorhea, Cactus, Canadian, Claude, Darrouzett, Eden, Farwell, Follett, Groom, Higgins, Junction, Kermit, Menard, Miami, Mobeetie, Natalia, Paint Rock, Shamrock, Somerset, Sonora, Stratford, Texhoma, Texline, Wheeler, and Statement of Intent Filed by West Texas Gas, Inc. for a Rate Increase of Special Rates In the Unincorporated Towns and Rural Areas of Andrews, Armstrong *(Goodnight), Atascosa, Bailey, Bexar, Brewster, Briscoe, Brown, Carson, Castro, Cochran, *(Bledsoe), Coleman, Collingsworth, Concho, Crosby, Culberson, Dallam, *(Kerrick), Dawson, Deaf Smith, Dimmitt, Donley, Floyd, Frio, Gaines, Gray, Hale, Hall, Hansford, Harley, Hemphill, *(Glazier), Hockley, Hutchinson, Jeff Davis, Kimble, Kinney, LaSalle, Lamb, Lipscomb, Lubbock, Lynn, McCulloch, *(Lohn), Martin, Maverick, Median, Menard, Moore, *(Etter), Ochiltree *(Farnsworth, Waka), Oldham, Parmer, Pecos *(Coyanosa, Imperial), Potter, Presidio, Randall, Reeves *(Saragosa), Roberts, Runnels, Sherman, Sutton, Swisher, Terry, Tom Green *(Christoval), Uvalde, Val Verde, Wheeler, *(Allison, Briscoe), Wilson, Winkler, Yoakum and Zavala *(La Pryor) Counties, Texas

SUSPENSION ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551 (Vernon 1994 and Vernon Supp. 2004).

On March 29, 2004, West Texas Gas, Inc. filed with the Railroad Commission of Texas (Commission) statements of intent to change rates in the environs of Balmorhea, Cactus, Canadian, Claude, Darrouzett, Eden, Farwell, Follett, Groom, Higgins, Junction, Kermit, Menard, Miami, Mobeetie, Natalia, Paint Rock, Shamrock, Somerset, Sonora, Stratford, Texhoma, Texline, Wheeler; (Docket No's. 9489 – 9412) and a

statement of intent for a Rate Increase of Special Rates in the Unincorporated Towns and Rural Areas of Andrews, Armstrong *(Goodnight), Atascosa, Bailey, Bexar, Brewster, Briscoe, Brown, Carson, Castro, Cochran, *(Bledsoe), Coleman, Collingsworth, Concho, Crosby, Culberson, Dallam, *(Kerrick), Dawson, Deaf Smith, Dimmitt, Donley, Floyd, Frio, Gaines, Gray, Hale, Hall, Hansford, Harley, Hemphill, *(Glazier), Hockley, Hutchinson, Jeff Davis, Kimble, Kinney, LaSalle, Lamb, Lipscomb, Lubbock, Lynn, McCulloch, *(Lohn), Martin, Maverick, Median, Menard, Moore, *(Etter), Ochiltree *(Farnsworth, Waka), Oldham, Parmer, Pecos *(Coyanosa, Imperial), Potter, Presidio, Randall, Reeves *(Saragosa), Roberts, Runnels, Sherman, Sutton, Swisher, Terry, Tom Green *(Christoval), Uvalde, Val Verde, Wheeler, *(Allison, Briscoe), Wilson, Winkler, Yoakum and Zavala *(La Pryor) Counties, Texas (Docket No. 9488) pursuant to TEX. UTIL. CODE ANN. ' 104.102 (Vernon 1998 and Supp. 2004). West Texas Gas, Inc. proposed that the rates become effective on May 6, 2004.

The Commission has the authority to suspend the proposed rates for a period of one hundred fifty (150) days from the date on which the rates would otherwise become effective, under TEX. UTIL. CODE ANN. ' 104.107(a)(2) (Vernon 1998 and Supp. 2004). The Commission requires further time to consider the propriety of the proposed rate change. A Commission order is necessary to suspend the operation of the proposed rate schedules for a period of one hundred fifty (150) days from the date on which the schedules would otherwise become effective.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS that the rates proposed in the statements of intent filed by West Texas Gas, Inc. are hereby **SUSPENDED** for a period of one hundred fifty (150) days from the date the rates would otherwise go into effect.

SIGNED this 23rd day of April, 2004.

RAILROAD COMMISSION OF TEXAS

/s/
VICTOR G. CARRILLO
CHAIRMAN

/s/
CHARLES R. MATTHEWS
COMMISSIONER

/s/
MICHAEL L. WILLIAMS
COMMISSIONER

ATTEST:

/s/ Kim Williamson
SECRETARY

SECTION 6
MISCELLANEOUS

STEPHEN L. PITNER, GAS SERVICES DIVISION DIRECTOR

1. OFFICE OF THE DIRECTOR

A. Publications

1. Texas Utilities Code Titles 3 and 4. Special Rules of Practice and Procedure and Substantive Rules - \$15.00
2.
 - a. Annual Report for Fiscal Year 2002 – Now available via the Commission’s website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents02.html>
 - b. Annual Report for Fiscal Year 2001 – available via the Commission’s website at:
<http://www.rrc.state.tx.us/divisions/gs/tablecontents01.html>
 - a. Annual Report for Fiscal Year 2000 - \$17.00 (includes statistical data for 1999)
 - b. Annual Report for Fiscal Year 1999 - \$9.00 (includes statistical data for 1998)
 - c. Annual Report for Fiscal Year 1998 - \$7.00 (includes statistical data for 1997)
3. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - \$2.00 – Now available via the Commission’s website at: <http://www.rrc.state.tx.us/divisions/gs/rap/sixmcf.html>

Anyone who wishes to obtain a copy of any of the publications or maps listed in Section A should contact the Central Records Section at 512-463-6887 OR 512-463-6882 P. O. Box 12967, Austin, Texas 78711-2967.

B. Interest Rate on Customer Deposits

We have been advised by the Public Utility Commission that the interest rate to be applied to customer deposits in calendar year 2003 is 6.00%. All gas utilities should use this rate.

2. UTILITY AUDIT SECTION

A. Maintains headquarters and three district offices as follows:

Headquarters - William B. Travis Building
1701 North Congress, P. O. Box 12967, Austin, Texas 78701
Ed Abrahamson, Director

Telephone (512) 463-7022

Dallas District- 1546 Rowlett Rd., Suite 107, Garland, Texas 75043

Telephone (972) 240-5757;
Fax (972)303-1897

Yolandra Davis, Auditor
Josh Settle, Auditor

Austin District- P. O. Box 12967, Austin, Texas 78711-2967

Telephone (512) 463-7022

Stephen Cooper, Senior Auditor

Houston District- 1706 Seamist Drive. Suite 501, Houston, Texas 77008-3135

Telephone (713) 869-8425;
Fax (713)869-3219

Larry Alcorn, Auditor
Dale Francis, Auditor
Brian L. Sparkman, Auditor
Margie Stoney, Senior Auditor
Konata Uzoma, Auditor

B. Gas Utility Tax, Annual Reports and Audit Reports

Questions relating to gas utility tax, annual reports and audit reports, call Shannon L. Miller at (512) 463-7022.

C. Available Information

Copies of company annual reports (1994 to present), as well as information relating to any of the above, A through C, are available for review at the William B. Travis Building, Gas Services Division, 9th Floor, 1701 North Congress. All requests for copies must be made in writing and should be addressed to the Audit Section. Copies will be provided for a fee, depending on the volume of copy work desired, allow a minimum of five days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

3. MARKET OVERSIGHT**A. Maintains the following office to assist you:**

Headquarters - William B. Travis Building
1701 North Congress, P.O. Box 12967, Austin, Texas 78711
William O. Geise, Director

Telephone (512) 463-7164

B. Gas Utilities Information Bulletin

Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gs/rap/rapbls.html>.

C. Proposals For Decision

Published on the Commission's web site at: <http://www.rrc.state.tx.us/divisions/gs/rap/pfds.html>.

D. Tariff Filings

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Kathy Arroyo, Yolanda Lovelace or Marie Blanco at (512) 463-7164.

E. Curtailments

Curtailment questions should be referred to (512) 463-7164. Curtailment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7164. Curtailment reports made during hours other than those specified above and holidays, should be made to (512) 463-6788.

F. Compliance Filings

Questions regarding gas utilities docket compliance filing requirements should be referred to Mark Brock at (512) 463-7164.

G. Complaints and Inquiries

All complaints and inquiries relating to the gas utility industry should be directed to the Market Oversight Section at (512) 463-7164.

H. Pending RRC Rules and Regulations:

GUD No. 9253 New Rule for Relocation Cost Recovery Factor

GUD No. 9275 Amendments to §7.512 NGPA Section 311 Rate Review

GUD No. 9276 Amendments to §7.511 TUC Section 102.054 Sale, Transfer, Merger Reviews

GUD No. 9277 Amendments to §7.305 Curtailment Rule

GUD No. 9449 Amendments to §7.45 Quality of Service

4. HEARINGS AND LEGAL ANALYSIS**A. Miscellaneous**

Anyone wishing to obtain copies of appendices to Orders appearing in Section 5 of this Bulletin should contact the Legal Division at (512) 463-7017.

B. Status of Pending Cases

The status of all pending cases listed in Section 3 of this Bulletin is for informational purposes only and is complete up to the time of printing of this Bulletin. For a more accurate status of pending cases, please call the Legal Division at (512) 463-7017.